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September 8, 2005

FDIC San Francisco Regional Office
Director John F. Carter
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 94105

RE: Wal-Mart Application

As you are aware, Wal-Mart has had a big impact on the family owned business in communities. Most small communities once flourished with the mom-pop hardware, home town grocery store, and other retail store. They provided a foundation for the community, providing jobs, and maintaining the continuing viability of small towns. Family owned businesses were passed on from generation to generation. It once was the "American dream," to own your own business.

With the take over of the Wal-Mart era, vacant stores now replace home town business locations. Wal-Mart is able to purchase large quantities of goods and sell it at lower costs thus forcing the small time owner out of business because they cannot compete.

What does this have to do with banking? Wal-Mart has already proven it has a de-stabilizing effect on our communities. With its vast resources, it could drive out community banks like it has driven out the community grocery stores, pharmacies, and hardware stores. Where would that leave our communities? Will Wal-Mart be able to service the true needs of our communities or will their policies and products be too standardized to provide service to those in need.

Can Wal-Mart truly understand the needs of the farm crop production operation? Can Wal-Mart understand the needs of a livestock operator? Can Wal-Mart help a small business owner with their lending needs, if the small business offers competition to products that Wal-Mart offers? Will Wal-Mart want to help the small town individual who comes to the community bank once a year for that ever so small need?

Will the profits stay in the communities that Wal-Mart serves? Will Wal-Mart give back to the communities they service as community banks do? Will they support school functions, organizations and community and economic development, or will the funds be moved to corporate headquarters? Currently there is a Wal-Mart located in the county that my children attend school. Our school has approached Wal-Mart about sponsoring school functions, offering discounts, or paying a percentage back on purchases to the school, and Wal-Mart has declined, but many other businesses in the community do participate and support our schools, such as Dillon's, Orscheln, Food 4 Less, etc.

Mixing banking and commerce is bad public policy that could jeopardize the impartial allocation of credit and create conflicts of interest. Congress reaffirmed its opposition to the mixing of banking and commerce in the Gramm-Leach-Bliley Act. Imagine a Wal-Mart Bank disfavoring small businesses that compete with Wal-Mart and favoring Wal-Mart suppliers in credit decisions, or requiring Wal-Mart suppliers to bank with the Wal-Mart Bank.

The systemic risk posed by a Wal-Mart bank would be enormous. Wal-Mart already controls 8% of the non-restaurant, non-automotive sales in the U.S. With a branch of Wal-Mart Bank in every store, it would represent a dangerous and unprecedented concentration of economic power.

Too big to fail – what is the risk posed to the Bank Insurance Fund and taxpayers in the event Wal-Mart is able to establish a giant banking venture and then experience financial difficulties?

Look at the statistics for the states that have Wal-Mart stores. Review the types of businesses that have been forced to close: grocers, pharmacist, florists, hardware stores, apparel stores. Talk to congressmen in each state, and let them tell you about the impact on the small communities. The loss of jobs and closing of businesses has lead to the loss of population, which forces the closing of local schools, and an end to many communities.

Please review all the data involved with the Wal-Mart conglomerate. There is pending litigation, discrimination lawsuits, poor pay, and more. By allowing the mix of banking and commerce you will allow a consolidation of power, which could defeat the underlying foundation of the economic success of the United States.

Sincerely,



Kim Miller
Vice President